

EXHIBIT B



Public Health Service
National Institutes of Health
National Institute on
Alcohol
Abuse and Alcoholism
6700B Rockledge Drive
Bethesda, MD 20892-6902

February 28, 2025

Elizabeth Carrillo
Sponsored Projects Analyst
The Regents of the University of California, Santa Barbara
3227 Cheadle Hall, 3rd Floor
Santa Barbara, CA 931062050

Dear Elizabeth Carrillo,

Funding for Project Number 5 R21 AA029513-02 is hereby terminated pursuant to the 2024 National Institutes of Health (“NIH”) Grants Policy Statement,¹ and 2 C.F.R. § 200.340(a)(2) (2024). This letter constitutes a notice of termination.²

The 2024 Policy Statement applies to your project because NIH approved your grant on 08/18/2023, and “obligations generally should be determined by reference to the law in effect when the grants were made.”³

The 2024 Policy Statement “includes the terms and conditions of NIH grants and cooperative agreements and is incorporated by reference in all NIH grant and cooperative agreement awards.”⁴ According to the Policy Statement, “NIH may ... terminate the grant in whole or in part as outlined in 2 CFR Part 200.340.”⁵ At the time your grant was issued, 2 C.F.R. § 200.340(a)(2) permitted termination “[b]y the Federal awarding agency or pass-through entity, to the greatest extent authorized by law, if an award no longer effectuates the program goals or agency priorities.”

This award no longer effectuates agency priorities. NIH is obligated to carefully steward grant awards to ensure taxpayer dollars are used in ways that benefit the American people and improve their quality of life. Your project does not satisfy these criteria. Research programs based primarily on artificial and non-scientific categories, including amorphous equity objectives, are antithetical to the scientific inquiry, do nothing to expand our knowledge of living systems, provide

¹ <https://grants.nih.gov/grants/policy/nihgps/nihgps.pdf>.

² 2 C.F.R. § 200.341(a); 45 C.F.R. § 75.373

³ *Bennett v. New Jersey*, 470 U.S. 632, 638 (1985).

⁴ 2024 Policy Statement at IIA-1.

⁵ *Id.* at IIA-155.

low returns on investment, and ultimately do not enhance health, lengthen life, or reduce illness. Worse, so-called diversity, equity, and inclusion (“DEI”) studies are often used to support unlawful discrimination on the basis of race and other protected characteristics, which harms the health of Americans. Therefore, it is the policy of NIH not to prioritize such research programs.

Although “NIH generally will suspend (rather than immediately terminate) a grant and allow the recipient an opportunity to take appropriate corrective action before NIH makes a termination decision,”⁶ no corrective action is possible here. The premise of Project Number 5 R21 AA029513-02 is incompatible with agency priorities, and no modification of the project could align the project with agency priorities.

Costs resulting from financial obligations incurred after termination are not allowable.⁷ Nothing in this notice excuses either NIH or you from complying with the closeout obligations imposed by 2 C.F.R. §§ 75.381-75.390. NIH will provide any information required by the Federal Funding Accountability and Transparency Act or the Office of Management and Budget’s regulations to *USAspending.gov*.⁸

Administrative Appeal

You may object and provide information and documentation challenging this termination.⁹ NIH has established a first-level grant appeal procedure that must be exhausted before you may file an appeal with the Departmental Appeals Board.¹⁰

You must submit a request for such review to Matthew J. Memoli, MD, MS, Acting Director, National Institutes of Health no later than 30 days after the written notification of the determination is received, except that if you show good cause why an extension of time should be granted, Matthew J. Memoli, MD, MS, Acting Director, National Institutes of Health may grant an extension of time.¹¹

The request for review must include a copy of the adverse determination, must identify the issue(s) in dispute, and must contain a full statement of your position with respect to such issue(s) and the pertinent facts and reasons in support of your position. In addition to the required written statement, you shall provide copies of any documents supporting your claim.¹²

Sincerely,

Judy S. Fox

Judy S. Fox -S

Digitally signed by Judy S. Fox -S
Date: 2025.02.28 18:13:05 -05'00'

⁶ 2024 Policy Statement at IIA-156.

⁷ See 2 C.F.R. § 200.343 (2024).

⁸ 2 C.F.R. § 200.341(c); 45 C.F.R. § 75.373(c)

⁹ See 45 C.F.R. § 75.374.

¹⁰ See 42 C.F.R. Part 50, Subpart D.

¹¹ *Id.* § 50.406(a).

¹² *Id.* § 50.406(b).